PM & E, Inc.

FINANCIAL STATEMENTS
FOR THE 9 MONTHS ENDED SEPTEMBER 30, 2014

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PM&E, INC
BALANCE SHEET
AS OF SEPTEMBER 30, 2014 AND SEPTEMBER 30, 2013

	2014	2013
ASSETS		
Current		
Cash	$ -	$ 4,000
Protyping Equipment	150,000	150,000
Tooling and Dies	907,000	888,000
TOTAL ASSETS	$ 1,057,000	$ 1,042,000
LIABILITIES		
Current		
Accounts Payable and Accrued Liabilities	$ 125,000	$ 125,000
Shareholder Loans	35,000	
TOTAL LIABILITIES	160,000	125,000
SHAREHOLDER'S EQUITY		
Capital Stock	627,000	127,000
Additional Paid-In Capital	915,000	915,000
Retained Earnings (Deficit)	(645,000)	(125,000)
Total Shareholder Equity	897,000	917,000
TOTAL LIABILITIES AND SHAREHOLDER EQUITY	$ 1,057,000	$ 1,042,000

PM&E, INC
STATEMENT OF OPERATIONS
FOR THE THREE MONTHS ENDING SEPTEMBER 30, 2014 AND SEPTEMBER 30, 2013

		2014	2013
Revenue			
	Fee Income	$ -	
Total Income		$ -	
Expenses			
	Sales and Marketing	0	
	Management	500,000	
	Development Costs	3,000	1,000
	Attorney cost on Tech	1,750	1,500
	Rent and Phone	1,500	1,000
	General and Administrative	1,750	500
Total Expenses		508,000	4,000
Net Income (Loss) Before Taxes and Extraordinary Items		$ (508,000)	(4,000)

PM&E, Inc
STATEMENT OF CASH FLOWS
FOR THE THREE MONTHS ENDING SEPTEMBER 30, 2014 AND SEPTEMBER 30, 2013

	2014	2013
Cash Flows from Operating Activties		
Net Icome (loss)	$ (508,000)	$ (4,000)
(Increase) / decrease in assets:		
Accounts Receivable		
Inventory/Clinical Trials		
Other Assets		(17,000)
Prepaid Expenses		
Increase / (decrease) in liabilities:		
Commissions Payable		
Accrued Expenses		
Notes Payable		
Accrued Interest		
Accounts Payable		
Net cash used in operating activities	-	(17,000)
Net cash Increase for period	(508,000)	(21,000)
Cash Flows From Financing Activites		
Additional paid in capital		17,000
Loans from Stockholders	8,000	4,000
Stock Issued to management	500,000	
Net Cash Provided by Financing Activities	508,000	21,000
Net Increase (Decrease) During the Period	-	-
Cash and cash equivalents, Beginning of the period		2,000
Cash and cash equivalent, End of the period	$ -	2,000

PM &E, INC
STATEMENT OF SHAREHOLDER EQUITY
FOR THE PERIODS ENDED SEPTEMBER 30, 2014

	Number of shar	Capital Stock	Additional Paid in Cap	Profit (Loss)	Shareholder Equity (Deficiency)
Balance December 31, 2010	112,000,000	112,000	488,000	(98,000)	502,000
Net Loss as of December 31, 2011				(2,000)	(2,000)
Balance Decmber 31, 2011	112,000,000	112,000	488,000	(100,000)	500,000
Net loss as of March 31, 2012				(2,000)	(2,000)
Balance as of March 31, 2012	112,000,000	112,000	488,000	(102,000)	498,000
Net Loss as of June 30, 2012				(3,000)	-3,000
Balance as of June 30, 2012	112,000,000	112,000	488,000	(105,000)	495,000
Net loss as of September 30, 2012				(4,000)	(4,000)
Balance as of September 30, 2012	112,000,000	112,000	488,000	(109,000)	491,000
Net loss as of December 31, 2012				(4,000)	(4,000)
Balance as of December 31, 2012	112,000,000	112,000	488,000	(113,000)	487,000
Additional Paid in Capital			275,000		275,000
Net loss as of March 31, 2013				(4,000)	(4,000)
Balance as of March 31, 2013	112,000,000	112,000	763,000	(117,000)	758,000
Aditional Paid in Capital			35,000		35,000
Net Loss as of June 30, 2013				(4,000)	(4,000)
Stock issued for Services	15,000,000	15,000	100,000		115,000
Balance as of June 30, 2013	127,000,000	127,000	898,000	(121,000)	904,000
Additional Paid in Capital			17,000		17,000
Net Loss as of September 30, 2013				(4,000)	(4,000)
Balance as of September 30, 2013	127,000,000	127,000	915,000	(125,000)	917,000
Net loss as of December 31, 2013				(4,000)	(4,000)
Balance as of December 31, 2013	127,000,000	127,000	915,000	(129,000)	913,000

Net Loss as of March 31 2014				(4,000)	(4,000)
Balance as of March 31, 2014	127,000,000	127,000	915,000	(133,000)	909,000
Net loss as of June 30, 2014				(4,000)	(4,000)
Balance as of June 30, 2014	127,000,000	127,000	915,000	(137,000)	905,000
Issued Management stock 8-15-1	500,000,000	500,000			500,000
Net loss as of Sept 30, 2014				(508,000)	(508,000)
Balance as of Sept 30, 2014	627,000,000	627,000	915,000	(645,000)	897,000

PM&E, INC.

NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2014
(UNAUDITED)

1. Operations and Business

PM&E, Inc. (the Company), was organized under the laws of the State of Colorado under the name of PM&E, Inc.

2. Going Concern Assumption

These financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America with the assumption that the Company will be able to realize its assets and discharge its liabilities in the normal course of business.

The Company's ability to continue as a going concern is also contingent upon its ability to secure additional financing to meet its obligations as they become due.
The financial statements do not include any adjustments to reflect the possible future effects on the recoverability and classification of assets or the amounts and classification of liabilities that may result from the possible inability of the Company to continue as a going concern.

3. Basis of Financial Statement Presentation and Summary of Significant Accounting Policies

Basis of Financial Statement Presentation

The accompanying unaudited interim financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America for interim financial information and the requirements of item 310(b) of regulation S-B. Accordingly, certain information and disclosures normally included in financial statements prepared in accordance with accounting principles generally accepted in the United States of America have been condensed or omitted pursuant to the rules and regulations of the Securities and Exchange Commission. The financial statements reflect adjustments (consisting of only normal recurring adjustments), which, in the opinion of management, are necessary for a fair presentation of the results for the periods presented. The results from operations for the interim periods are not indicative of the results expected for the full fiscal year or any future period. Certain prior period amounts have been reclassified to conform to current period presentation.

PM&E, INC.

NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2014
(UNAUDITED)

Summary of Significant Account Policies

(a) Unit of Measurement
The United States currency is being used as the unit of measurement in these financial statements

(b) Fair Value of Financial Instruments
The estimated fair value of financial instruments have been determined by the Company using available market information and valuation methodologies. Considerable judgement is required in estimating fair value. Accordingly, the estimates may not be indicative of the amounts the Company could realize in a current market exchange. As of SEPTEMBER 30, 2014 the carrying value of accounts payable and accrued charges and advances from shareholders approximate fair value due to the short term maturity of such instruments.

(c) Income Taxes

The Company accounts for income taxes in accordance with Statement of Financial Accounting Standards ("SFAS") No. 109, "Accounting for Income Taxes". Deferred tax assets and liabilities are recorded for differences between the financial statement and tax basis of the asset and liabilities that will result in taxable or deductible amounts in the future based on enacted tax laws and rates. Valuation allowances are established when necessary to reduce deferred tax assets to the amount expected to be realized. Income tax expense is recorded for the amount of income tax payable or refundable for the period increased or decreased by the change in deferred tax credits and liabilities during the period.

(d) Earnings or (Loss) Per Share
The Company adopted FAS No. 128, "Earning per Share" which requires disclosure on the financial statements of "basic" and "diluted" earnings (loss) per share. Basic earnings (loss) per share is computed by dividing net in-

PM&E, INC.

NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2014
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come (loss) by the weighted average number of common shares outstanding for the year. Diluted earnings (loss) per share is computed by dividing net income (loss) by the weighted average number of common shares outstanding plus common stock equivalents (if diluted) related to stock options and warrants each year.

(e) Concentration of Credit Risk
SFAS No. 105, "Disclosure of Information about Financial Instruments with Off-Balance Sheet Risk and Financial Instruments Concentration of Credit Risk", requires disclosure of any significant off-balance sheet risk and credit risk concentration. The Company does not have significant off-balance risk or credit concentration.

(f) Use of Estimates
Preparation of financial statements in accordance with accounting principles accepted in the United States of America requires management to make estimates and assumptions that affect the amounts reported in the financial statements and related notes to financial statements. These estimates are based on management's best knowledge of current events and actions the Company may undertake in the future. Actual results may ultimately differ for those estimates although management does not believe such changes will materially affect the financial statements in any individual year.

(g) Management Certification
The financial statements herein are certified by the officers of the Company to present fairly, in all material respects, the financial position, results of operations and cash flows for the periods presented, in conformity with accounting principles generally accepted in the United States of America, consistently applied.

PM&E, INC.

NOTES TO FINANCIAL STATEMENTS
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(h) Dividends

The Company has not yet adopted any policy regarding payment of dividends. No dividends have been paid during the periods shown.

(i) Accounts Receivable

The trade accounts receivable and allowances for bad debt are shown below.

	09/30/14
Trade Accounts Receivable	$ 0
Allowances	$ 0
Trade Accounts Receivable, Net	$ 0

(j) Office Equipment

Office Equipment will be stated at cost. Depreciation will be computed using the declining balance method over their estimated useful lives. Maintenance and repairs are charged to expense as incurred.

	09/30/14
Office Equipment	$ 0
Accumulated Depreciation	$ 0
Office Equipment, Net	$ 0

(k) Revenue Recognition
The Company follows industry standards in reporting its revenues.

(l) Advertising
Advertising is expensed when incurred. There has been no advertising since inception.

PM&E, INC.

NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2014
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4. Advances from Shareholders

The advances from a shareholder are unsecured, non-interest bearing and have no fixed terms of repayment.

5. Capital Stock

Company issued 15,000,000 restricted shares for the equivalent of $0.01 per share during this period.

Authorized

1,000,000,000 common shares, $0.001 par value per share.

Issued	SEPTEMBER 30, 2014
Common Stock	112,000
Additional Paid-In Capital	915,000
Capital Stock	$ 1,027,000
Shares Outstanding	127,000,000

6. Related Party Transactions and Balances

There have been no related party transactions during the period.

7. Income Taxes

The Company provides for income taxes under Statement of Financial Accounting Standards No. 109 accounting for Income Taxes. SFAS No. 109 requires the use of an asset and liability approach in accounting for income taxes. Deferred tax assets and liabilities are recorded based on the differences between the financial statement

and tax bases of assets and liabilities and the tax rates in effect when these differences are expected to reverse.

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NOTES TO FINANCIAL STATEMENTS
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SFAS No. 109 requires the reduction of deferred tax assets by a valuation allowance if, based on the weight of available evidence, it is more likely than not that some or all of the deferred tax assets will not be realized. In the Company`s opinion, it is uncertain whether they will generate sufficient taxable income in the future to fully utilize the net deferred tax asset. Accordingly, a valuation allowance equal to the deferred tax asset has been recorded. The total deferred tax asset is $1200, which is calculated by multiplying a 15% estimated tax rate by the items making up the deferred tax account, the Net Operating Loss (NOL) of $8,000.

The provision for income taxes is comprised of the net changes in deferred taxes less the valuation account plus the current taxes payable as shown in the chart below. For the nine months ended SEPTEMBER 30, 2014 it is as follows.

Net changes in Deferred Tax Benefit less valuation account	0
Current Taxes Payable	0
Net Provision for Income Taxes	0

The federal NOL is due to expire 20 years from the date of its creation. The chart below shows the year of creation, the amount of each estimated year`s NOL and the year of expiration if not utilized.

Year Created	**Amount**	**Year to Expire**
2013 and prior	$50,000	2024 - 2031
2013	$8,000	2032

Total NOL Carry Forward	$58,000

PM&E INC.

NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2014
(UNAUDITED)

8. Subsequent Events
There are no subsequent events that occurred after the period end.

9. Operations
PM&E Inc is currently operating as a holding company.

10. Operating Leases and Other Commitments
The Company has no lease obligations.

11. Reliance on Officers
The CEO has experience in multi-company operations. If he were no longer able or willing to function in that capacity the Company would be negatively affected.